

(Amendments to Standing Committee amendments, AM1142)

10 Sec. 2. Section 77-2602, Revised Statutes Supplement,
11 2002, is amended to read:
12 77-2602. (1) Every person engaged in distributing or
13 selling cigarettes at wholesale in this state shall pay to the Tax
14 Commissioner of this state a special privilege tax. This shall be
15 in addition to all other taxes. It shall be paid prior to or at
16 the time of the sale, gift, or delivery to the retail dealer in the
17 several amounts as follows: On each package of cigarettes
18 containing not more than twenty cigarettes, sixty-four cents per
19 package; ~~until October 1, 2004, and thirty-four cents per package~~
20 ~~commencing October 1, 2004;~~ and on packages containing more than
21 twenty cigarettes, the same tax as provided on packages containing
22 not more than twenty cigarettes for the first twenty cigarettes in
23 each package and a tax of one-twentieth of the tax on the first
24 twenty cigarettes on each cigarette in excess of twenty cigarettes
25 in each package. Commencing July 1, 1994, and continuing until
26 ~~July 1, 2009~~ October 1, 2004, the State Treasurer shall place the
27 equivalent of twenty-one cents of such tax less three million
1 dollars each fiscal year of proceeds of such tax in the General
2 Fund. Commencing October 1, 2004, the State Treasurer shall place
3 the equivalent of forty-nine cents of such tax less three million
4 dollars each fiscal year of proceeds of such tax in the General
5 Fund. Commencing July 1, 2009, the State Treasurer shall place the
6 equivalent of ~~twenty-one~~ forty-nine cents of such tax in the
7 General Fund. For purposes of this section, the equivalent of a
8 specified number of cents of the tax shall mean that portion of the
9 proceeds of the tax equal to the specified number divided by the
10 tax rate per package of cigarettes containing not more than twenty
11 cigarettes. The State Treasurer shall distribute the remaining
12 proceeds of such tax in the following order:
13 (a) First, beginning July 1, 1980, the State Treasurer
14 shall place the equivalent of one cent of such tax in the Nebraska
15 Outdoor Recreation Development Cash Fund. For fiscal year
16 distributions occurring after FY1998-99, the distribution under
17 this subdivision shall not be less than the amount distributed
18 under this subdivision for FY1997-98. Any money needed to increase
19 the amount distributed under this subdivision to the FY1997-98
20 amount shall reduce the distribution to the General Fund;
21 (b) Second, beginning July 1, 1993, the State Treasurer
22 shall place the equivalent of three cents of such tax in the
23 Department of Health and Human Services Finance and Support Cash
24 Fund to carry out sections 81-637 to 81-640. For fiscal year
25 distributions occurring after FY1998-99, the distribution under
26 this subdivision shall not be less than the amount distributed
27 under this subdivision for FY1997-98. Any money needed to increase
1 the amount distributed under this subdivision to the FY1997-98
2 amount shall reduce the distribution to the General Fund;
3 (c) Third, beginning July 1, 2001, and continuing until
4 October 1, 2002, the State Treasurer shall place the equivalent of
5 five cents of such tax in the Building Renewal Allocation Fund.
6 Beginning October 1, 2002, and continuing until ~~October 1, 2004~~ all
7 the purposes of the Deferred Building Renewal Act have been
8 fulfilled, the State Treasurer shall place the equivalent of seven
9 cents of such tax in the Building Renewal Allocation Fund.
10 Beginning October 1, 2004, and continuing until all the purposes of
11 ~~the Deferred Building Renewal Act have been fulfilled, the State~~
12 ~~Treasurer shall place the equivalent of five cents of such tax in~~
13 ~~the Building Renewal Allocation Fund.~~ The Legislature shall
14 appropriate each fiscal year all sums inuring to the fund, plus

15 interest earnings for the Task Force for Building Renewal to be
16 used to carry out its duties and to fulfill the purposes of the
17 Deferred Building Renewal Act. Unexpended balances existing at the
18 end of each fiscal year shall be, and are hereby, reappropriated.
19 For fiscal year distributions occurring after FY1998-99, the
20 distribution under this subdivision shall not be less than
21 five-sevenths of the amount distributed under this subdivision for
22 FY1997-98. Any money needed to increase the amount distributed
23 under this subdivision to five-sevenths of the FY1997-98 amount
24 shall reduce the distribution to the General Fund;
25 (d) Fourth, until October 1, 2002, and beginning on
26 October 1, 2004, the State Treasurer shall place the difference
27 between the equivalent of thirteen cents of such tax and the sum of
1 the amounts distributed pursuant to subdivisions (a) through (c)
2 and (f) through (h) of this subsection in a special fund to be
3 known as the Nebraska Capital Construction Fund. Beginning October
4 1, 2002, and continuing until October 1, 2004, the State Treasurer
5 shall place the difference between the equivalent of forty-three
6 cents of such tax and the sum of the amounts distributed pursuant
7 to subdivisions (a) through (c) and (f) through (i) of this
8 subsection in the Nebraska Capital Construction Fund;
9 (e) Fifth, beginning July 1, 1994, and continuing until
10 July 1, 2009, the State Treasurer shall place in the Municipal
11 Infrastructure Redevelopment Fund the sum of three million dollars
12 each fiscal year to carry out the Municipal Infrastructure
13 Redevelopment Fund Act. The Legislature shall appropriate the sum
14 of three million dollars each year for fiscal year 1994-95 through
15 fiscal year 2008-09;
16 (f) Sixth, beginning July 1, 2001, the State Treasurer
17 shall place the equivalent of two cents of such tax in the
18 Information Technology Infrastructure Fund;
19 (g) Seventh, beginning July 1, 2001, and continuing until
20 June 30, 2016, the State Treasurer shall place one million dollars
21 each fiscal year in the City of the Primary Class Development Fund.
22 If necessary, the State Treasurer shall reduce the distribution of
23 tax proceeds to the General Fund pursuant to this subsection by
24 such amount required to fulfill the one million dollars to be
25 distributed pursuant to this subdivision;
26 (h) Eighth, beginning July 1, 2001, and continuing until
27 June 30, 2016, the State Treasurer shall place one million five
1 hundred thousand dollars each fiscal year in the City of the
2 Metropolitan Class Development Fund. If necessary, the State
3 Treasurer shall reduce the distribution of tax proceeds to the
4 General Fund pursuant to this subsection by such amount required to
5 fulfill the one million five hundred thousand dollars to be
6 distributed pursuant to this subdivision; and
7 (i) Ninth, beginning October 1, 2002, and continuing
8 until October 1, 2004, the State Treasurer shall place the
9 equivalent of twenty-eight cents of such tax in the Cash Reserve
10 Fund.
11 (2) The Legislature hereby finds and determines that the
12 projects funded from the Municipal Infrastructure Redevelopment
13 Fund and the Building Renewal Allocation Fund are of critical
14 importance to the State of Nebraska. It is the intent of the
15 Legislature that the allocations and appropriations made by the
16 Legislature to such funds or, in the case of allocations for the
17 Municipal Infrastructure Redevelopment Fund, to the particular
18 municipality's account not be reduced until all contracts and
19 securities relating to the construction and financing of the
20 projects or portions of the projects funded from such funds or
21 accounts of such funds are completed or paid or, in the case of the

22 Municipal Infrastructure Redevelopment Fund, the earlier of such
23 date or July 1, 2009, and that until such time any reductions in
24 the cigarette tax rate made by the Legislature shall be
25 simultaneously accompanied by equivalent reductions in the amount
26 dedicated to the General Fund from cigarette tax revenue. Any
27 provision made by the Legislature for distribution of the proceeds
1 of the cigarette tax for projects or programs other than those to
2 (a) the General Fund, (b) the Nebraska Outdoor Recreation
3 Development Cash Fund, (c) the Department of Health and Human
4 Services Finance and Support Cash Fund, (d) the Municipal
5 Infrastructure Redevelopment Fund, (e) the Building Renewal
6 Allocation Fund, (f) the Information Technology Infrastructure
7 Fund, (g) the City of the Primary Class Development Fund, (h) the
8 City of the Metropolitan Class Development Fund, and (i) the Cash
9 Reserve Fund shall not be made a higher priority than or an equal
10 priority to any of the programs or projects specified in
11 subdivisions (a) through (i) of this subsection.
20 Sec. 33. Section 77-4008, Revised Statutes Supplement,
21 2002, is amended to read:
22 77-4008. (1) ~~Commencing on or after January 1, 1988, a A~~
23 tax is hereby imposed upon the first owner of tobacco products to
24 be sold in this state. Prior to October 1, 2002, ~~and on and after~~
25 ~~October 1, 2004,~~ the tax shall be fifteen percent, and on and after
26 October 1, 2002, ~~and continuing until October 1, 2004,~~ the tax
27 shall be twenty percent, of (a) the purchase price of such tobacco
1 products paid by the first owner or (b) the price at which a first
2 owner who made, manufactured, or fabricated the tobacco product
3 sells the items to others. Such tax shall be in addition to all
4 other taxes.
5 (2) Whenever any person who is licensed under section
6 77-4009 purchases tobacco products from another person licensed
7 under section 77-4009, the seller shall be liable for the payment
8 of the tax.
9 (3) On and after October 1, 2002, and continuing until
10 October 1, 2004, the Tax Commissioner shall remit the amount
11 collected pursuant to this section to the State Treasurer, and the
12 State Treasurer shall credit three-fourths of such amount to the
13 General Fund and one-fourth of such amount to the Cash Reserve
14 Fund. On and after October 1, 2004, amounts collected shall be
15 used and distributed pursuant to section 77-4025.